

Work plans for IRS 990 and data needs studies

ISSUE: What is the usefulness of the IRS form 990s in reporting on hospitals' investments, endowments, fundraising, and access to capital? What are the strengths and weaknesses of available data to judge total financial circumstances of hospitals and other providers of Medicare services? What data does the Commission use to judge the adequacy of Medicare payments to providers and how can they be improved?

KEY POINTS: The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) requires two MedPAC studies on data issues. The first study is on the use of the IRS form 990 to report on investments, endowments, and fund raising activities for hospitals participating under Medicare and their related foundations. This study will also examine the use of the 990s to assess hospitals' access to capital. Information on 990s is limited to private, not-for-profit hospitals—public hospitals and proprietary hospitals do not file 990s.

The second study is on the need for and sources of more current data to determine the solvency and financial circumstances of hospitals and other providers of Medicare services. We will examine data needs for measuring both total (all payer) and Medicare financial performance of providers. We will examine the strengths and weaknesses of available data and consider ways the data could be improved.

The due date for both of these studies is June 1, 2004. This paper presents our work plan for these two studies.

ACTION: The Commission should comment on the proposed work plan.

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